

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE AIRGATE PCS, INC.
SECURITIES LITIGATION

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)
) CIVIL ACTION NO.
) 1:02-CV-1291-JOF
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)

**NOTIFICATION OF SETTLEMENT AGREEMENT IN PRINCIPLE AND
JOINT MOTION FOR A TWO-WEEK STAY OF ALL PROCEEDINGS
TO COMPLETE SETTLEMENT**

The parties to the above-captioned action have reached an agreement in principle to settle this case. Only one material issue, namely the cost of settlement notice, remains open, and the litigants do not believe that judicial intervention will be required in order to resolve this issue. Thus, in the interest of resolving the case in the most expeditious and cost-effective manner, the parties jointly move for a two-week stay of all proceedings to finalize their settlement agreement. In support of this motion, the parties state as follows:

1. Counsel for Plaintiffs and the AirGate Defendants (AirGate PCS, Inc., Thomas M. Dougherty, Barbara L. Blackford and Alan B. Catherall) met in Atlanta to mediate this case on August 16, 2006. As previously noted, no

agreement was reached at that time, but the parties continued to negotiate in earnest.

2. As a result of those continued negotiations, the parties have now reached a settlement agreement in principle. All material terms have been resolved except one: the precise allocation between the parties of costs for notice of the settlement to potential class members. In a good faith effort to determine an appropriate limit on the amount that would be financed from the settlement proceeds, the parties are collecting empirical data about the cost of notice in comparable settled cases. The parties expect this process to take no more than two weeks. At or before the end of that two-week period, they will advise the Court that a settlement has been finalized.

3. Consistent with their expectation of a prompt completion of the settlement process, and in the interest of conserving their resources, the parties have agreed—subject to the Court’s approval—to cease all expenditures in litigating this matter, other than those applied in furtherance of their efforts to finalize the settlement.

4. The parties therefore jointly move for an order staying all proceedings in this case for a period of two weeks.

5. As such, the parties specifically seek to defer a ruling and further filings with regard to two motions that are presently before the Court:

a. The first of these motions is Plaintiffs' Motion for Class Certification. *See* Docket Entry ("DE") 82. The Defendants' responses are due on Friday, September 15, 2006. The parties jointly request that this response deadline be stayed, along with all other deadlines in the case, without prejudice to the Defendants' right to respond to the Motion at a later time if necessary.

b. The second of these motions is Plaintiffs' Motion to Compel the Production of Documents. *See* DE 98. Both the AirGate Defendants and the Underwriter Defendants have filed responses in opposition to this motion. *See* DE 99 and DE 103 (respectively). All briefing papers were submitted to the Court on September 12, 2006. Having reached an agreement in principle to settle the case, the parties now agree that the motion to compel need not be considered by the Court at this time.

6. Mindful of the Court's wishes that this case proceed expeditiously, the parties jointly state their belief that the requested stay, for the purpose of finalizing the settlement agreement, will promote the most expeditious resolution of the case.

WHEREFORE, the parties jointly request a two-week stay of all proceedings in this case to finalize the settlement agreement.

Respectfully submitted:

DATED: September 14, 2006

/s/ Darren T. Kaplan

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CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of September, 2006, copies of the foregoing Notification of Settlement Agreement in Principle and Joint Motion for a Two-Week Stay of All Proceedings to Complete Settlement was electronically filed with the Clerk of Court on the CM/ECF system, which will automatically notify all counsel of record of such filing, consistent with Local Rule 5.1.

/s/ Jason J. Mendro
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